
HOUSE BILL No. 2098

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-21.2.

Synopsis: Property taxes on DNR acquired farmland. Requires the auditor of state to make a semiannual payment in lieu of property taxes (PILOT) for agricultural land purchased or leased by the department of natural resources (DNR) after 2000. Allows the legislative body of a county and the board of directors of a conservancy district to collect a PILOT. Provides that for purposes of calculating a PILOT, the land is considered to have an assessed value the same as agricultural land. Makes an annual appropriation to make PILOTs from the state general fund.

Effective: Upon passage; March 1, 2001 (retroactive).

Budak, Leuck, Friend

January 17, 2001, read first time and referred to Committee on Ways and Means.

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Introduced

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

HOUSE BILL No. 2098

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-21.2 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 MARCH 1, 2001 (RETROACTIVE)]:

4 **Chapter 21.2. Distributions in Lieu of Property Taxes**

5 **Sec. 1. The general assembly finds the following:**

6 (1) That the tax base of counties and certain special taxing
7 districts has been significantly eroded through the acquisition
8 by the department of natural resources of farmland that was
9 originally subject to property taxation.

10 (2) That the acquisition of farmland by the department is
11 inconsistent with farmland preservation and protection goals
12 of Indiana.

13 (3) That to prevent further reduction in farmland acreage in
14 Indiana, the erosion of the tax base, and to provide a proper
15 allocation of the cost of providing governmental services, the
16 following are authorized to collect payments in lieu of taxes
17 from the department of natural resources:

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(A) The legislative body of a county.

(B) The board of directors of a conservancy district established under IC 14-33-2.

Sec. 2. As used in this chapter, "department" refers to the department of natural resources.

Sec. 3. As used in this chapter, "PILOT" refers to a payment in lieu of taxes.

Sec. 4. The auditor of state shall make a PILOT on May 1 and November 1 of each year with respect to land that:

- (1) was assessed as agricultural land as of March 1, 2000;
- (2) was acquired by the department after December 31, 2000;
- (3) was owned by or leased by the department on March 1 of the previous year; and
- (4) is subject to an exemption from property taxes.

Sec. 5. The PILOT paid under section 4 of this chapter equals the amount of property taxes that would have been imposed upon the land described in section 4 of this chapter using an assessed value computed as if the land were agricultural, regardless of how the land is used by the department.

Sec. 6. (a) A PILOT:

- (1) is billed;
- (2) is due;
- (3) bears interest if unpaid;
- (4) is subject to penalty if unpaid; and
- (5) is distributed to political subdivisions within a county;

in the same manner as ad valorem taxes on property.

(b) A PILOT:

- (1) is not eligible for the property tax replacement credit under IC 6-1.1-21; and
- (2) except as provided in subsection (a), is not treated as a property tax for purposes of other procedural and substantive provisions of law.

Sec. 7. Not later than April 1 of each year, the auditor of state shall provide the township assessor of each township in which land described in section 4 of this chapter is located with a report of:

- (1) the location of land described in section 4 of this chapter that is located in the township;
- (2) the acreage of the land identified under subdivision (1); and
- (3) any other information required by the state board of tax commissioners.

Sec. 8. (a) The state board of tax commissioners shall prescribe

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1 a form for the transfer of information required under section 7 of
2 this chapter.

3 (b) The state board of tax commissioners may adopt standards
4 for the transfer of information under section 7 of this chapter that
5 is necessary to assist townships, counties, and conservancy districts
6 with the implementation of this chapter.

7 (c) With the consent of the state board of tax commissioners, the
8 auditor of state may distribute the information required under
9 section 7 of this chapter in an electronic format.

10 Sec. 9. (a) The PILOT transfer account within the state general
11 fund is established for the purpose of accounting for the
12 distributions made under section 4 of this chapter for payments
13 from the department in lieu of property taxes. The account is
14 administered by the auditor of state.

15 (b) Expenses of administering the account are to be paid from
16 money in the account.

17 (c) There is annually appropriated from the state general fund
18 to the PILOT transfer account the amount necessary to make the
19 distributions required by this chapter.

20 SECTION 2. [EFFECTIVE UPON PASSAGE] (a)
21 Notwithstanding IC 6-1.1-21.2, as added by this act:

22 (1) a PILOT (as defined in IC 6-1.1-21.2-3, as added by this
23 act) is initially due for property taxes first due and payable
24 after December 31, 2001; and

25 (2) the auditor of state shall provide to the township assessor
26 the information required under IC 6-1.1-21.2-7, as added by
27 this act, not later than August 1, 2001.

28 (b) In cooperation with the auditor of state, the state board of
29 tax commissioners shall prescribe, not later than July 1, 2001, a
30 form for the auditor of state to report the information needed to
31 carry out IC 6-1.1-21.2-7, as added by this act.

32 (c) This SECTION expires December 31, 2002.

33 SECTION 3. An emergency is declared for this act.

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